FIRE LOSS SETTLEMENTS.

BY

THOS. J. MILNES.

of the question, with the following:

History,
Definitions of terms (citing legal cases in explanation),
History of Rating,
Private House Insurance,
Flats and Flat Inspections,
Some "Art" Risks,
Insurance of Valuables,
"All Risks" Policies,
Valued Policies,
Business Premises,
Surveys,
Burglary and Housebreaking Claims,
Larceny Claims,
Methods of Burglars,
Miscellaneous Risks,
Endorsements,
Larceny Act, 1861 (Extracts).

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BY

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FIRE LOSS SETTLEMENTS

AND THE

Conditions of Fire Insurance Policies.

A HAND-BOOK FOR GENERAL USE

BY

THOS. J. MILNES,

AUTHOR OF

"FIRE LOSS APPORTIONMENTS WITH AND WITHOUT THE AVERAGE CLAUSES."

LONDON:

CHARLES AND EDWIN LAYTON,

56, FARRINGDON STREET, E.C.

PREFACE.

THAT negotiations for the settlement of Fire Losses should proceed wholly and in every case without a hitch is an unreasonable expectation if the circumstances be taken fairly into account. There is no real reason why the parties thereto, although they may approach each other from opposite points of view, should long remain at issue, but, however closely they may approximate, there will generally be found room for just those adjustable differences as to amount which in so many instances temporarily separate the willing buyer from the willing seller. Such differences, roughly classifiable under the headings of quantity and price, will always exist. If, however, the ground upon which these two factors are to operate has once been defined, the negotiations are not far from being satisfactorily concluded. To agree upon this ground is often the difficulty.

The provision of forms of Policy-wordings for a large number of the more important risks has considerably lessened the sources of friction so far as the insuring capacity of Policies is concerned. In times past considerable trouble has been occasioned by the use of general and somewhat loose and misleading terms, such as "plant," "utensils" and "tools." Under cover of these it has been sought to bring in property, to the inclusion of which, thereunder, the Companies have objected. They have maintained that the proper signification of the said terms did not extend to the property in question, which they have held to be properly comprised in the wording of some other item only. By the forms of wording as

drawn up, and made at the same time compulsory, the employment of the said terms is regulated. Debatable property is either provided for by a separate item, and then expressly excluded from the insurance by any other item which might be supposed to carry a reference thereto, or is expressly included in the wording of the item to which only it can be said to belong.

It still remains, in many cases, a matter of supreme importance to the Insured, to see that Policies which are intended to insure the same property describe it in terms identical so far as their insuring capacity is concerned. The injunction that Policies should be read is conveyed upon the face of all of them and yet is constantly disregarded. The Companies have, it may be said, an equal interest with the Insured in seeing that their Policies are concurrent with those of their Co-Insurers, and in any case which admits of the slightest doubt will be found ready and willing not only to define the position as it stands, but also to take steps to bring about that conformity which in the interests of all is so desirable.

What conduces, as much as anything, to misapprehension upon various points, in case of a loss, is failure to grasp the full meaning of that principle of indemnity which lies at the basis of all fire insurance. It is difficult for the Insured to adapt himself to the point of view, in all its bearings, that the liability of the Company is strictly limited under their contract to placing him in the position he occupied before the fire. He is, perhaps quite naturally, prone to regard the Company as called upon to do something more than this before acquitting themselves of their full responsibility. Yet the principle is as clear and unmistakeable in its application as in its origin. The highest legal authority has decreed that fire insurance is a contract of indemnity, and a very little consideration will suffice to shew that in the general interest of the community it could be no other.

In addition to but distinct from this principle of universal application, is the definition, and it may be said

the limitation by such definition, of the liability of the Company given by means of the Policy Conditions. Some of these set forth, more or less, the position the Company is entitled to take up at Common Law. Others are specially instituted provisions. These Conditions have been widened from time to time in their scope, usually upon some important case arising which has seemed not to have been adequately provided for under them. The evident intention has been to comprise within the operation of the Conditions, if possible, all questions which, left undefined, might have a prejudicial bearing upon the interests of the Company. The Conditions read onerously in some instances, and would undoubtedly prove onerous in most if they had always to be taken in their full significance. What the Companies have had in mind would not seem to be the enforcement of the said Conditions, in their entirety, in each case, or even in the majority of cases. They would appear to have been more concerned to arm themselves with the necessary powers in view of having occasionally to deal with cases where to take a stringent view of their liabilities is felt to be the only course open to them. That the vast majority of fire losses are settled, year by year, without resort to the Law Courts, Arbitration, or any course out of the ordinary, is certainly eloquent testimony to the good sense and moderation characterising both the Insured and the Companies. All the same, there are a number of points upon which it is vital to the interests of the Insured that he should understand not only what the Conditions say but what they imply. These are points more or less technical, but an endeavour has been made to expound, not only the said points, but all the Conditions, in language as free from technicalities as possible, so that the Insured may be readily able to grasp the meaning of all.

The whole subject of Fire insurance, from its legal standpoint, is fully and incomparably treated in "Bunyon's Law of Fire Insurance," a work which has laid all those interested under an immeasurable obligation.

Fire Loss Settlements

AND THE

Conditions of Fire Insurance Policies.

A HAND-BOOK FOR GENERAL USE.

CHAPTER I.

A Claim in Ordinary Course.

Notice to be given of the Fire.

Intimation of the occurrence of a Fire must be sent in writing to the insuring Company or Companies forthwith. This need not necessarily be given by the Insured. It may be forwarded by the Broker or Agent who effected the insurance.

In such advice no statement need be made as to the time or cause of the fire should these in any way be involved in doubt. It is not necessary either to put forward any estimate of the amount of the loss. The Company, however, might be informed as to whether the Fire is or is not a serious one.

Claim Form.

When acknowledging intimation of the Fire the Company will usually transmit a Claim Form. This is to be filled up by the Insured or by someone acting with the requisite authority on his behalf. A copy of such Form is given on page 79.

It is to be noted that the forwarding of such Form by the Company does not involve an admission of liability.

Particulars to be given on Claim Form.

It will be seen that the information required to be furnished on said form comprises, the number of the policy under which the claim is made, the date up to which the said policy is in force, the hour, day, and date of the Fire, the precise portion and local situation of the premises in which the Fire has occurred, the cause of the Fire, and the particular item or items applying to the loss when a part only of the policy is affected. A declaration as to the character of the existing interest in the property is then asked for, whether the Insured claims as Sole Owner, or whether any other person has an interest therein as Mortgagee, Lessee, or in any other capacity, and also a declaration as to whether any further insurance upon the property exists, in which case particulars thereof in the form prescribed are required to be given. The Form is then required to be duly signed and dated.

Following upon these particulars will be found columns for setting out a "Description of the articles claimed for," their "Value at time of Fire," "Deduction for value of Salvage," and finally, "Amount Claimed, *i.e.*, actual loss after deduction of Salvage Value."

The Value of property on the occurrence of a Fire is the nett cost at the time of purchase less a reasonable deduction for wear and tear or other depreciation.

From the value as thus appearing a suitable deduction is to be made for the value of any Salvage.

The amount then remaining will be the amount claimable against the Company as being the actual loss suffered in respect of the property.

In the case of building losses it will be sufficient if a Builder's Estimate be furnished, detailing the damage to the structure, and giving measurements and prices. Such estimate should not include the cost of any alterations or improvements

it may be the intention of the Insured to carry out, but which go beyond the scope of the premises prior to the fire.

Average.

If the insurance be subject to the Condition or Conditions of Average, a declaration will be required of the value of the property affected by the fire and of any other property comprised in the same insured sum.

Policy Conditions applying to Loss.

Some Companies recite, at the head of their Claim Forms, the printed Conditions appearing upon their Policies relating more particularly to Losses, and some the Average Conditions also.

Time allowed for sending in particulars.

The Policy Conditions usually allow fifteen days after the occurrence of a fire for the sending in of the particulars required of the loss.

This period may be extended by the Company, when necessary, upon application being made to them.

Some Companies stipulate in their Conditions that such extension must be granted by them in writing.

A certain time will have to elapse before the amount of some claims can be ascertained. It will be necessary to postpone a claim for Rent until the period of untenantableness is known. A pawnbroker will not be able to make up a portion of his claim until the period of his current pledges has expired.

The Company having the lead in a Settlement.

Where two or more Companies participate in a loss, the Company having the largest share of the insurance usually takes the settlement in hand for the different Companies concerned.

In the case of equal shares, the Company oldest established thus takes the settlement.

Building and Contents insurances, however, range themselves under their separate heads. It does not follow that because a Company possesses the lead in the one case it takes it in the other. The distinction applies too where Companies insure separate classes of contents in varying proportions as between the classes. The respective amounts on the one class of contents may assign the lead to one Company, and those on a different class to another.

Where a Company insures property, either building or contents, to which the insurance by the other Companies' policies does not extend, it is entitled to its own independent settlement, although such property may be upon the premises otherwise insured in common.

Collective action is, however, often agreed upon, even when not considered obligatory, to the extent that Buildings and Contents losses will be given by the Companies respectively dealing therewith into the same Assessor's hands for settlement

Small Losses usually settled by Company's Staff.

Losses which are not likely to exceed a certain amount often fixed at Ten pounds, are usually settled by the staff of the insuring Companies.

Larger Losses settled by an Assessor.

Losses exceeding that amount are usually placed by the Companies in the hands of an outside Assessor.

This Assessor is usually a Valuer having special experience of Fire Losses either in the particular trade that may be in question or generally.

His duty is to take the Loss completely in hand, assess the value of the property damaged or destroyed, and also the Salvage, to arrange for the disposal of this latter in the best manner possible, and to come to terms of settlement generally with the Insured. He will consult the Company in cases of difficulty: otherwise the negotiations are left very much to him.

Upon agreeing the loss he apportions the same amongst the different Companies interested, and also the Extinguishing Expenses and his own Fees.

Being employed by the Companies he is also paid by them.

An Assessor may also be appointed by the Insured.

It is open to the Insured to appoint an Assessor to deal similarly with the claim on his behalf, although in many instances the Insured is perhaps better qualified to deal with the claim himself, from his knowing thoroughly the nature of the goods to be claimed for and the value and deductions attaching thereto.

Such Assessor should not be a party interested in the loss. He should not be the Agent for the Insurance.

His remuneration will, of course, be payable by the Insured.

The premises should be left untouched.

The premises should be left as far as possible in the condition resulting from the Fire until they have been seen by or on behalf of the Company. All traces of the origin and progress of the Fire should, if possible, be preserved until then.

Protection of Salvage.

Where, however, no Salvage Corps exists, such obvious precautions should be taken with the Salvage as would prevent further damage accruing. This is to be done in the interests of all concerned, and any expense incurred would be in the general interest, and be duly adjusted, as between the Insured and the Company, upon a settlement with regard to the Salvage being arrived at. The Insured has not the right to abandon any property to the Company.

Extinguishing Expenses.

Extinguishing Expenses, duly and properly incurred, are payable by the Company in addition to the amount of the

loss or damage, but not if they would cause the sum insured by the Policy to become exceeded. The Company in handing over the full sum insured, is, of course, absolved from all further liability.

Acceptance Form

The sum payable in full of all demands having been arrived at, the Insured is asked to signify his agreement by signing an Acceptance Form, a copy of which is given on page 81.

This Form, duly signed by the Insured, is forwarded by the Assessor to the Company employing him, to the leading Company, when there is more than one interested, along with his report upon, and apportionment, where necessary of the Loss, copies of the two latter being forwarded to all the Companies concerned.

Simultaneous date of payment.

The Assessor, in transmitting copy of his report and apportionment of the Loss to the different Companies interested, will, in the said report, suggest a date for simultaneous payment by the Companies of their respective shares of the Loss.

Loss Receipt Form.

The Insured acknowledges the receipt of the amount of the Loss on a Form, a copy of which is given on page 82.

All parties whose names appear in the Policy must join in the discharge.

Reduction of the insurance until renewal.

The form, it will be seen, provides for a reduction of the insurance, corresponding to the amount of the Loss payment, until the renewal date of the Policy.

The sum by which the insurance thus stands reduced can, however, be reinstated, and the Policy brought up to its original amount, by an Endorsement thereon notifying the facts and levying the due amount of additional premium.

Interest on amount of claim.

In ordinary circumstances interest on the amount of the claim would not be allowed for the time occupied in reaching a settlement. In special cases, where payment of the claim has been long deferred, from reasons not under the control of the Insured, interest on the amount of the claim may be awarded. It might follow upon a protracted Arbitration or Action.

Application of insurance monies.

By "The Metropolitan Fire Brigade Act, 1865," which left in force the 83rd section of the 14th Geo. III., c. 78, steps may be taken, under certain circumstances, by the parties interested, with the object of causing the Company to expend the insurance money in rebuilding after a fire or to provide for its being so expended.

This enactment, primarily applying to the Metropolis, has also been held to have a general signification as regards England and Wales, but not Ireland or Scotland.

In addition, the Company would, in its own interest, have regard to any lien upon the Insurance money which might be sustainable at law, and of which they might have received proper notice.

Beyond this the Company is not bound to see to the application of the insurance money, and having received its proper and legal discharge has no further responsibility concerning it.

CHAPTER II.

Points to be Specially Observed.

The successive steps taken in the adjustment and settlement of a Claim have been detailed in the last chapter. Certain points with respect to the making of Claims call for special attention.

The following apply to all Claims without exception :—

The Policy must be in force.

The Claimant must possess what is known as an Insurable Interest.

The Cause of the Fire must not be one exempted by the Policy.

The Property claimed for must answer to the description of the insured property given in the Policy.

The Property claimed for must not come under the heading of any exempted property given in the Policy.

The above points are of the utmost importance, not only because they apply to all Claims without exception, as before stated, but also because the Company is relieved of all liability if failure is made in respect of any one of them.

The following points must also be kept specially in view :—

Whether the Policy is subject to any Condition of Average.

This can easily be seen, as, if it is, the fact will be declared thereon, and the Condition or Conditions of Average recited.

Whether the Property is insured by more than one Company.

Whether any Party is liable to the Insured for having caused the Fire.

In any of the foregoing cases additional information will be found to be afforded in the Chapters following, under the heading applicable thereto.

There are certain other points which require to be rendered clear to the Insured, as follow :—

In a Policy which is divided into items the sum insured by each item stands by itself absolutely. An amount, that is, cannot be carried down from one item to the assistance of another.

There may be no loss under an item, or the whole of the amount insured by an item may not be required to pay the loss thereon, but no sum can be carried to the aid of another item which may prove insufficient to meet the loss upon it. Each item is really a separate Policy, and no two Policies can be asked to contribute to a loss except in so far as they insure the same property.

Property is not insured by the same Policy twice.

In drawing up Policies, Companies always take care that the insurance by the different items does not overlap. Some specially safeguarded exceptions only prove the rule.

An insured sum is not necessarily payable in full in case of a loss. It only expresses the maximum liability of the Company.

In a "valued" Policy, rarely issued, the Company specially contracts to treat the sum insured as the value of the property in case of a loss. In all other cases the value of the property claimed for requires to be substantiated along with the loss thereon. The sum insured is only that amount beyond which the Company cannot be called upon to pay.

Each Company is liable for its own share of a loss only.

Where several Companies are liable in respect of a loss, each Company is only liable for its own share, no Company having any liability for the share of any other Company who

may be unable or unwilling to pay. The share of each Company would be duly set out in the apportionment drawn up of the Loss by the Assessor, and if any of the Companies should make default in payment it would rest with the Insured to take his own steps to recover the share or shares of the loss owing.

Lloyds' Underwriters are liable each for his own share of the loss.

They sign their Policies "each for himself only and not one for another."

No signatory could therefore be called upon for more than the amount set opposite to his name.

When insurances are effected with Foreign Companies it should be seen whether the Companies can be sued in England.

If they can be so sued the fact will usually be found stated on the Policy, with the name and address of the person by whom service will be accepted. The point whether, in addition, the said Companies have any funds lodged here as security for the payment of claims is one not to be overlooked.

Fire Insurance is by law strictly a contract of indemnity. The Insured is entitled to be placed, as far as possible, in the position he occupied before the fire, but not in a better position.

On the grounds of public policy Fire Insurance could not well be allowed to go beyond the indemnifying of the Insured for the actual loss he has sustained. The results to the community of allowing a profit to be made out of it can be readily apprehended. Policies by way of gaming or wagering are expressly forbidden by Statute, and with regard to other policies the law has been laid down clearly and unmistakeably that Fire Insurance affords indemnity and indemnity only. Insurance against Consequential Fire Loss, which has sprung into such prominence at the present day, may seem to go

somewhat beyond the principle of an indemnity. In reality, it may be said, the systems under which it is practised are designed to limit recovery of such loss to points upon which it may actually have been sustained.

It is perhaps as much upon this point, of Fire insurance providing indemnity only, as upon any other, that friction in the settlement of losses from time to time arises. The position of the Company is, however, a clear one.. The Insured can call upon them to indemnify him for all proved loss but not to go further. If this touchstone be applied it will often serve to render intelligible the position the Company may have taken up.

The fire must be the direct cause of the loss.

The Company are responsible for the direct consequences of the fire, but not always for indirect. For instance, the Company could not perhaps be held liable for goods which were being dried after a fire, if overstoved, for walls or foundations left standing, which might eventually collapse, or for theft, even where theft was covered by the Policy, of goods which the Insured had carelessly bestowed. The question would be, at whose risk did the property stand when the second loss upon it occurred. If the further loss occurs as the result of a set of circumstances following upon the fire, and yet clearly distinguishable therefrom, such further loss may fall upon the Insured and not upon the Company.

The liability of the Company is defined by both the printed and the written portions of the policy.

The written portion sets out the liability to the particular property insured, but this is both defined and limited by the printed portion. Where the two prove not to be in agreement the written portion rules.

CHAPTER III.

Currency of the Insurance.

It is, of course, before all things necessary to the founding of a claim that a Policy should be in force at the date of the fire happening. The ascertainment of the fact whether a Policy is in force or not is a very simple matter under ordinary circumstances.

Short Period Policies.

Policies for a less period than one year—"Short Period" Policies as they are generally designated—usually name four o'clock in the afternoon as their precise time of expiry on the date up to which they extend. They expire promptly at the day and hour stated.

Annual Policies and Days of Grace thereon.

"Annual" Policies may or may not mention the hour at which they expire. If they do not, the legal day of course extends up to midnight.

Fifteen days are usually allowed upon Annual Policies, after the date of expiry named in them, for payment of the renewal premium. During this period, subject to payment of the renewal premium, the Company will hold themselves liable for any recoverable loss which may occur.

It must not, however, fail to be observed that these Days of Grace are granted for the purpose of renewing the Policy.

They should not be viewed as affording a period in which the transfer of the insurance to another Company can be negotiated. Such transfer should have been effected not later

than the date on which the insurance is named in the policy to expire.

Failure to guard this point may have the effect of freeing the old Company from its liability where there has been manifest intention to transfer. If, therefore, the liability of the new Company has not been established the Insured may have to bear the loss himself.

The renewal premium due to the Company acknowledging a loss during the Days of Grace should be duly tendered to them, though it could, of course, be deducted from the amount of the claim.

Where, for any reason, a Company declines to renew an insurance, their liability ends promptly upon the expiry date set out in the Policy, without benefit of any days of Grace. It is held to be sufficient if notice not to renew be given to the Agent or Broker.

Policy lapsed through oversight.

The systematic notification of the Insured by the Company as to the expiry dates of all policies, leaves him with scarcely an excuse for not renewing a Policy where continuance of the insurance is desired. Should, however, a Policy which it was intended to renew have been discontinued through oversight, the facts might be laid before the Company for their consideration.

Special Cancelment Condition.

Some Companies retain, under a special Policy Condition, the right to cancel the insurance at any time, upon notice being given to that effect to the Insured, usually by registered letter, and a return being made of a proportionate share of the premium. Such notice would presumably be given to the Insured direct, its receipt by an Agent not being accounted sufficient. The Insured, on his part, has the right to cancel the insurance and to obtain back a share of the premium under the same Condition.

Refusal to pay increased premium.

Where, for any increase in risk, an extra premium has been required by the Company, refusal to pay the same renders void the insurance affected thereby. Merely to take exception, in whole or in part, to the extra premium demanded, but so as to leave the matter a subject for negotiation, will not have this effect.

Insurance by "Cover-note" or "Deposit Receipt."

Property proposed for insurance is frequently held protected by means of a "Cover-note," "Protection note," or "Deposit Receipt," as the form is variously termed, pending the preparation of the Policy. Under such "Cover-note" the premium or a deposit on account thereof may have been paid.

The Form in question is really a Policy and requires the stamp duty of one penny to be paid thereon.

Where a time limit is inserted in said form it is usually that of thirty days. For this period the property is held insured provided notice is not given that the insurance is declined, in which latter case the premium paid, or deposit on account thereof, would be returned.

The intention is to replace the said "Cover-note" by the Policy prior to the expiry of the former. If neither Policy nor notice declining the insurance has been received within the stipulated period, a fresh cover-note cancelling the former one should be obtained. In cases where, through oversight, this has not been obtained, and the preparation of the Policy was being duly proceeded with, it is scarcely likely the Company would repudiate its liability. All the same the time limit should be duly observed.

When no time limit is inserted the insurance is kept on foot indefinitely, by the Cover-note, until the insurance is declined or the Policy is received.

Credit given for Premiums.

If an Agent expressly agrees to advance the premium, and enters it in his books as paid, the Policy will be in force just as if payment of the premium had been actually made. The Company may also agree with the Insured, or the Agent, to credit the premium as paid, with a similar result. In either case the Policy or the Renewal Receipt, as the case may be, should be handed over.

Policies void by the Conditions.

An insurance may be rendered void by contravention of the Policy Conditions. Cases coming under this head will be found dealt with hereafter in their respective places.

CHAPTER IV.

Insurable Interest and Transfer Thereof.

To establish a claim it is not sufficient that it be made by or on behalf of the party or parties in whose name or names the policy was originally made out, or into whose name or names the Policy was subsequently transferred by an endorsement duly made thereon by the Company.

To render the Policy valid and the claim pursuable, such party or parties must have an insurable interest in the property to which the insurance relates.

To the term "insurable interest" the law, however, allows a sufficiently wide interpretation to cover all relationship to property in or by means of which loss by fire can be suffered.

Interest as Owner or as otherwise designated in the Policy.

Not only an Owner but a Mortgagor, Mortgagee, Lessor, Lessee, Trustee, Executor, Administrator, Assignee, Reversioner, Bailor and Bailee can all insure.

All Public Bodies can, of course, insure in their Corporate capacity.

All semi-public and private Bodies can insure, either in their own name, when incorporated, or in the name of their Trustees.

Limits to insurable interest.

Insurable interest has, however, its limits.

Prohibitions by Statute.

By the Act 14 Geo. III., c. 48, Policies are null and void if taken out by persons who have no interest, or by way of gaming or wagering.

Other limits

There are other limits than those imposed by Statute.

A mere Expectancy does not confer an insurable interest no matter how likely it may appear of being realized.

An Agent has no insurable interest in goods not in his possession and on which he has no lien.

A Tenant-at-Will, not being responsible for the accidental burning of the premises occupied, cannot be said, from that point of view, to have an insurable interest therein.

Interest created by Statute.

The law, by imposing a liability for the effects of fire, may create an insurable interest, as in the case of Ecclesiastical Persons, Common Carriers, Inn-keepers, and Pawnbrokers.

Interest created otherwise.

The law of Bailee and Bailor may apply in some of the following cases, but a liability not existing at law may be voluntarily yet legally assumed, or may be imposed by custom, and an insurable interest so created. Thus, a Factor, Warehouseman, Wharfinger, or Consignee in possession, or a Bleacher, Finisher, Printer, Packer, or other Tradesman or Workman taking in goods to work in or upon may all insure goods in trust.

It is of vital importance in respect of all Goods "held in trust" that these should be described as such in the Policy. Otherwise they may be outside its protection, by the operation of the Policy Conditions, as further referred to hereafter.

The full description usually given of such goods in the Policy is, that they are "the property of the Insured, or held " by him (or them) in trust or on Commission, for which he " is (or they are) responsible."

The words "for which he is (or they are) responsible" require to be very carefully noted.

Where they appear it may not be sufficient substantiation of a claim to shew that it was open to the Insured to assume a responsibilility the law does not specifically impose. It must be shewn that such responsibility has been actually undertaken. If the case is one where liability would not attach to the Insured without an express undertaking on his part, the Company may plead that the words in question relieve them from any claim. The custom of the trade, if clear and unchallengable, might cause a liability to attach in the absence of an express undertaking, but the significance of the words in question must not be overlooked. The point to observe is that the insurable interest must not be merely permissible or creatively possible but must have been actually called into being.

Transfer of Interest.

Policy Condition:

> "This policy ceases to be in force as to any property hereby "insured which shall pass from the Insured to any other person "otherwise than by will or operation of Law, unless notice thereof "be given to the Company, and the subsistence of the Insurance "in favour of such other person be declared by a memorandum "endorsed hereon, by or on behalf of the Company."

By law a Policy is a document personal to the party or parties in whose name or names it stands.

Transfers effective without notice.

Liability under the Policy will in certain cases attach to a transfer without notice of the transfer being given to the Company.

"Representatives being Successors in interest" are often named in the contract of the Policy as being included therein.

Further than this, the before-recited Condition stipulates only that liability shall not follow a change of interest, which has not been made known to the Company and has not been

allowed by Endorsement on the Policy, if such change has been brought about "otherwise than by Will or operation of Law."

Still, the strictly personal character of the contract of Fire Insurance remains, and it is advisable that any transfer or change of interest should be notified to the Company to be by them allowed by Endorsement on the Policy.

Transfers where notice is indispensable.

It is clear from the said Condition that any transfer of interest by way of a sale, will, before any liability attaches to the Company, require to be recognised by them in the manner provided.

The Purchaser of a property, not the Vendor, is in law the Owner, even whilst the contract for sale is under completion. The Vendor may agree that the benefit of an existing insurance shall pass to the Purchaser, though he is not bound to do so, or even to disclose the fact that a Policy exists. In any case his agreement that the Purchaser shall benefit from the Policy is not binding on the Company. The Purchaser, too, may be still liable for the purchase money agreed upon, notwithstanding the happening of a fire prior to the completion of the sale contract. The importance, therefore, of attention being paid to the notification of a change of interest of this nature cannot well be overestimated.

With regard to the sale of movable property, under which term all descriptions of Merchandise may be said to be included, the rule as to the liability passing from the Vendor to the Purchaser is not quite so stringent.

Still, here, under any clear contract of sale, the goods are at the risk of the Purchaser, although they may not have been either removed or paid for, in the absence of an express undertaking, or unimpugnable custom of the trade, to the contrary.

Where they remain for a time at the risk of the Vendor, they would only participate in his insurance provided, and to the extent only, that this was more than sufficient to recoup the Vendor for loss upon goods which were his own property. If goods belonging to several Purchasers required to participate, then the excess applicable would have to be apportioned between the different lots.

CHAPTER V.

Extent of the Company's Liability.

The liability of the Company extends to loss or damage from causes other than fire.

Explosions.

Explosions are more fully dealt with in the next chapter, from the point of view both of admitted and exempted causes of claim. It will there be seen that Gas Explosions, with a limitation in some cases to Explosions of Coal Gas, and Explosions of Kitchen Boilers are both now generally admitted as a Loss under the Policy by the Companies.

Lightning.

Lightning is now generally admitted as a cause of Loss whether the property be actually set on fire thereby or not. It will often be found to be expressly mentioned as being included in the contract.

Damage by Smoke.

Damage caused by smoke from fire is claimable under the Policy. The Fire may not have been present in the room, or even in the building to which the smoke has penetrated, nevertheless, the Company which insures the said room or building will be liable.

Damage by Water.

Damage by water used in extinguishing a fire can be claimed for. This is the case whether the water be thrown

into or upon the building alight, or a building threatened by the fire but which at the time the fire had not actually attacked.

It is to be noted that the liability for damage from Water, as from Smoke, will fall upon the Company insuring the property where the damage results, and not upon the Company insuring the property where the fire breaks out, except where the same Company insures both properties.

Demolition of Buildings.

The demolition of buildings to stop the progress of a fire, by blowing up or otherwise, may involve certain nice distinctions as to the necessity of the measure, as to the means taken to carry it into effect, and as to the authority proper for its having been undertaken.

The action that may be taken under Statute is clear—The "Metropolitan Fire Brigade Act, 1865," not only empowers the pulling down of "any premises for the purpose of putting an end to a fire," but also declares that "any damage occasioned "by the Fire Brigade, in the due execution of their duties, "shall be deemed to be damage by fire within the meaning of "any policy against fire."

In other cases a claim might perhaps be sustainable by the Insured against the Local Authorities, to which the Company might be subrogated.

Extinguishing Expenses.

The Extinguishing Expenses at a fire will form a part of the Claim, provided the latter has not exhausted the amount of insurance by the Policy.

From these, when charged in accordance with powers conferred by any Local Act of Parliament, as in the case of a few Corporations, there is of course no appeal. Some Local Authorities possess powers to charge for services outside, but not within their boundaries.

In all cases where payment can be enforced from the Insured the Company will follow his liability if within the limit of the sum insured as before-mentioned.

In other cases regard will be had to the services rendered and to the reasonableness of the charges made in connection therewith. Such items as damage to clothing, except that of private persons assisting, and accoutrements are looked at a little askance.

It is contended, and unanswerably so, that it is the duty of the Local Authorities to provide the means of extinguishing fires, and that their Ratepayers should not be charged for the use of what is provided out of the common fund. The Companies, it is pointed out, have their remedy if such Appliances are not provided, by either withdrawing from the district or increasing their rates of premium.

It is not often, however, that Companies will withhold payment altogether, even although they might strictly be within their right in doing so, if substantial service has been rendered and the proposed charges are reasonable.

Refreshments at fires.

Refreshments, supplied under proper orders, and to a reasonable extent, to those engaged in extinguishing operations at a fire will usually be acknowledged by the Company. Charges under this head made by a Publican who had thrown open his house at the time of the fire the Companies would not recognise.

Removal of Goods.

Expenses incurred in the removal to a place of safety of property endangered by the fire would be recoverable from the Company.

The Company would be entitled to see that discretion had been exercised in the matter and that the removal had not been undertaken in a spirit of unreasoning panic.

Theft at fires.

Theft during a fire or removal immediately consequent thereupon, where not excluded by the Policy Conditions, is a sustainable item of loss. Conduct on the part of the Insured obviously contributing to the chances of theft might, however have a prejudicial bearing on his claim.

CHAPTER VI.

Exemptions from Liability.

1.—Causes of Fire.

Policy Conditions:

> " . . . . if the Fire be occasioned by or through the " procurement or with the knowledge or connivance of the " Insured, all benefit under this Policy is forfeited."

> "This Policy does not under any circumstances cover:—
> " Loss or damage occasioned by or in consequence of Invasion, " Foreign Enemy, Rebellion, Insurrection, Riot, Civil Com- " motion, or any Military or Usurped Power whatsoever.
>
> " Earthquake, Volcano or Subterranean Fire, Explosion, " except loss or damage caused by Explosion of illuminating " gas elsewhere than on Premises in which Gas is manufactured " or stored.
>
> " Loss or damage to property occasioned by its own " Fermentation or Natural Heating."

The cause of the Fire may have been such as to render the Company free of liability for the loss under any of the exempting clauses before recited.

Wilful Fire-raising.

There can be no trafficking with the Insured, of course, in respect of wilful fire-raising. His policy will protect him from arson, but not where he is his own incendiary.

Invasion, Rebellion, Riot.

No claim will lie against the Company for any Fire occasioned by or in consequence of Invasion, Rebellion or Riot, or any fire of kindred origin as set forth in the Condition.

The Insured, in certain forms of internal disturbance, may have his remedy against the Civil or Local Authorities. To

this the Company would become subrogated should they admit his claim, a point afterwards dealt with.

Earthquake, Volcano or Subterranean Fire.

As regards Fires arising from Earthquake, Volcano or Subterranean Fire, there may be a question as between primary and secondary liability.

A Fire originated by an Earthquake, Volcano or Subterranean Fire in one building, and consequently not admitted as a cause of claim therein, may be communicated to another building by ignition only.

A claim would in that case lie, in respect of the second building, unless the Company insuring it were clearly absolved by its Policy Conditions from all consequences whatsoever, direct or indirect, of the primary cause of the Fire.

Explosion.

Liability is now admitted by most Companies in the case of Gas Explosions (subject to the exception named in the Policy Condition), though a limitation of the liability to "Coal Gas" explosions is enforced by some.

The Explosion of Domestic Boilers is admitted, too, as a subject of claim by most Companies.

In the case of other Explosions, where the damage is confined to that caused by explosion the Company is not liable. If by reason of an explosion a Fire ensues, or if a Fire not originating in an explosion occasions one in its progress, the Company is liable for the whole damage.

A remedy may lie against third parties causing an explosion, to which the Company would become subrogated in the usual way, as afterwards referred to.

Spontaneous Combustion.

Fires caused by Self-fermentation or Natural Heating, or in other words, Spontaneous Combustion, exempt the Company from liability so far as regards the property directly affected.

If the Fire extends to other property liability for this will attach.

Onus of proof.

It may be stated, as being of general application, that the onus of proving that the Fire arose from an exempting cause lies upon the Company pleading such cause.

2.—Property debarred from the Claim.

Policy Condition :

" This Policy does not cover :—

" Deeds, Bonds, Bills of Exchange, Promissory Notes, Money, " Securities for Money, Stamps, or Books of Account.

" Gunpowder or other Explosives.

" Goods destroyed or damaged while undergoing any process " in which the application of artificial heat is necessary.

" Loss by theft during or after a Fire."

The exemptions here recited, it will be seen, mainly apply to property which may be said to have no intrinsic and consequently no insurable value from the point of view of direct loss.

The cost of the material and labour employed in the preparation of such matters as Deeds may be said to have an insurable value in the way that Plans have, and an insurance specifically covering this value and limited to it might be effected thereon.

Gunpowder and Explosives.

Gunpowder and other Exposives possess of course an intrinsic value to which conceivably insurance could attach. The main obiect of their exclusion from Policies covering ordinary premises is doubtless that due regard may be paid to their safe storage through their being left outside the protection of the insurance.

Goods damaged by misapplication of heat.

Goods may be damaged, or even destroyed, by an excessive or unskilful application of heat during their manufacture or treatment.

Thus Grain may be damaged or destroyed in the process of Kilning.

Goods may be over-stoved, or unskilfully handled when being calendered or ironed.

In none of these cases would the loss or damage be that within the meaning of a Fire Policy.

The exemption from liability would not, however, apply in case fire were communicated by any of these causes to other property.

Goods Stolen.

Loss by theft during or after a Fire is only by some Companies exempted from their Policies.

Loss by theft *after* a Fire may, under certain circumstances, be a contingency somewhat remote from that direct loss which a Fire Policy presupposes. The point will be dealt with later.

Loss by theft *during* a Fire is one of those consequences which can hardly be called indirect, and which, therefore, a Fire Policy would be supposed to cover.

A Burglary Policy, which might be presumed to take up the risk where a Fire Policy leaves it off, usually excludes all consequences of Fire.

3.—Property debarred from the Claim unless specially mentioned in the Policy.

Policy Condition:

" Unless stated herein this Policy does not cover:—
" Property held by the Insured in trust or on Commission.
" Jewels, Medals, Curiosities, Manuscripts, Prints, Paintings,
" Drawings, Sculptures, Patterns, Models, Moulds, Plans or
" Designs."

The Property thus specified stands in a different category from that previously dealt with.

There is no intention that it should be excluded altogether from the insurance. It is only not protected where there has been failure to mention it in drawing up the statement of the property to which the Policy relates.

One reason for non-inclusion unless specifically referred to is, that such property may form an appreciable, if not a preponderating share of the whole value to be covered under the respective headings, where, if not excepted, it would find a place. By this means the Company might be running a concurrent risk upon two classes of property for perhaps not more than the premium upon the value of one.

The bearing of the question of Goods held in trust upon that of Insurable interest has been referred to previously.

CHAPTER VII.

Exemptions from Liability.—*Continued.*

Breach of the Policy Conditions.

1.—At the time of effecting the Insurance.

Policy Condition :

> " Any material misdescription of the Property expressed to " be hereby insured, or of any building or place in which " property so insured is contained, or any misrepresentation of " or any omission to state any fact material for estimating the " risk, whether at the time of effecting the insurance or after- " wards, or any misstatement in connection with the Proposal, " renders this Policy void."

To this is added at the end, in another form of the same condition :

> " ' ..... renders this Policy void ' as regards the " Property affected by such misdescription, misstatement, or " omission respectively."

The cause of the fire may be admissible in itself, but other circumstances may have the effect of relieving the Company of liability.

Most important of these is the question whether the property at the time of the fire, or the premises in which it was contained, answered to the description of the same given in the Policy.

The cases where these may have originally done so, but have been transformed afterwards, are dealt with in the next Chapter.

Material Misdescription.

There must have been no "material misdescription" either of the property insured or the premises containing it.

The term "material" governs the case, but leaves open the

important question whether such misdescription must be to the actual prejudice of the Company or not. It need not have been so glaring as to induce the Company to accept an insurance, which, had the proper description been given, it would have rejected. It may have led to a lower rate of premium being charged than would otherwise have been the case. The rates of premium are, however, in many instances most carefully graduated. Quite conceivably a lower rate than should have been charged may have been applied without the misdescription responsible therefor being entitled to take rank as "material" from any unchallengeable standpoint.

"Material misdescription" is difficult to define in a sentence. Presumably it must have so changed the point of view taken by the Company as to cause the insurance to rank in a category to which it does not rightly belong.

The Company could not, however, be held to be prejudiced if the real hazard were less than the apparent one.

The issue raised would be distinctly one of prejudice where it was held that a limitation of the insurance by the Policy to a certain non-hazardous class of Contents sufficed, not merely to exclude the converse of that class from the insurance, but to debar its presence in addition.

An insurance described as upon "Merchandise, not hazardous," would avoid liability if only Hazardous Goods were found to be stored. This it would do on the ground of non-applicability alone. If both Hazardous and Non-hazardous goods were found to be stored, misdescription could hardly be said to exist apart from the prejudice which the presence of the former might be held to create. If Hazardous Goods were actually prohibited in the Policy from being stored, and they were present, the "material misdescription" would attach to the "building or place in which the insured property was contained." It would be enlarging the scope of misdescription very considerably to say that a

description given of goods, accurate as far as it goes is in itself sufficient to prohibit more hazardous storage.

A material misdescription, with prejudice, would be given of a Building, if stated in the Policy to be brick built if constructed of timber, or slate or tile roofed if thatched

In addition to construction there are the points of heating, lighting and occupation, upon which material misdescription might arise, to all of which prejudice might in greater or less degree attach.

It has been held, that whether prejudice attaches or not, if there has been material misdescription, the Insured is bound by it. He is held to be bound by a wrong description conveyed to the Company by an Agent acting on his behalf. He is even bound, it is said, by misdescription inadvertently given.

The position thus taken up is that there is no obligation resting upon the Company to rewrite the Policy after the fire. The tendering by the Insured to the Company of the difference in premium, where a higher premium should have applied, will not, it is said, serve to create one.

It is claimed that the Company is not bound to alter the Policy even when, by error, the wrong kind of property, such as machinery in place of stock, or the wrong building, is found upon the happening of the fire to have been insured. Not what may have been the intention of the Insured it is stated, but what is expressed in the Policy is to govern. By acceptance of the Policy without demur, the Insured constituted himself a party to it as it stands. The Company may be willing to rectify an obvious error in the insuring capacity of the Policy, but are not, it is said, obliged to do so.

The importance, therefore, of all Policies being read over, as enjoined thereon, cannot well be overestimated.

Survey made by the Company.

A survey of all but the simpler forms of risks is usually undertaken by the Company. This will relieve the Insured

of considerable responsibility as the different points of information necessary to a proper appreciation of the risk the Company will thereby acquire for itself. The Insured would, however, still be accountable for such information, imparted to the Surveyor of the Company, as might be incapable of being verified by the personal observation of the Surveyor. To subject the Policy to the Plan and Report as drawn up by the Surveyor, is a practice not so prevalent as formerly, and one to be deprecated. The Insured is thereby bound by a document the contents of which may be quite unknown to him.

Survey made by Agent.

When merely an Agent looks over the premises he may be said to be acting for the Insured and not for the Company, and the responsibility of the Insured to the Company for the description given of the premises may remain in undiminished force.

Misrepresentation or Omission of material facts.

Not only must there be the absence of any "material misdescription." There must not be "any misrepresentation of or any omission to state any fact material for estimating the risk."

The latter as well as the former of these stipulations has its bearing upon the description given of the risk. The latter would, however, apply somewhat more particularly to circumstances extraneous to the description given of the risk itself. Thus, a building, in itself of normal hazard, may be prejudiced by its surroundings. The Insured cannot, perhaps, be expected to distinguish between these surroundings when all are apparently of an ordinary degree of hazard. Where a sense of increased danger is obviously appealed to, such as by the close proximity of a Corn Mill, Oil Mill, Textile Factory, or Factory manufacturing Explosives the Company is entitled to be made aware by him of the facts

If incendiarism has been present in the neighbourhood, more particularly if it has been rife there, or if the Insured has received any threatening letters, or there have been overt acts of illwill on the part of his Workpeople or others, the Company is entitled to be made aquainted therewith.

The point to be borne in mind is, that the contract between the Insured and the Company is one to be effected upon a footing of equality, and that this position cannot be predicated of it if there are circumstances, known to the Insured, and likely to influence the judgment of the Company, which have not been communicated to them. Strictly considered, the Company is entitled to a knowledge of any fact material in itself and not merely in the Insured's opinion of it. Any matters which are of common knowledge are not required to be brought specifically under the notice of the Company by the Insured.

Misstatements in connection with Proposal.

Finally, there must be no "misstatement in connection with the Proposal," either upon the foregoing points or any other.

The Insured is not bound to volunteer the statement that another Company has declined his insurance, or has demanded for its continuance the payment of a higher rate of premium. Any questions, however, asked upon these points, either by means of the Proposal Form or otherwise, must be truthfully answered.

Accurate statements must also be made with regard to other subsisting insurances whether the information be asked for or volunteered.

Onerous nature of the Condition.

The Policy Condition in question is a very onerous one. This view of it is only intensified if the qualification appearing at the end in the alternative form of the Condition be absent. It would seem, in that case, as if any contravention

of the condition would suffice to avoid all liability under the Policy, even if the Policy insured property additional to and quite distinct from that in respect of which the contravention had occurred. That, in short, a whole Policy could be penalised for the shortcoming of one item. The alternative form of the Condition, as will be seen, limits the effect of any contravention to the property implicated.

A further reference will be made to this Condition at the end of the next chapter, when considering the somewhat similar effect of the Condition there treated.

CHAPTER VIII.

Exemptions from Liability.—*Continued.*

Breach of the Policy Conditions.—*Continued.*

2.—After the Insurance has been effected.

Policy Condition :

> "If, after the Insurance has been effected, the risk be "increased from any cause whatsoever, or if any property hereby "insured be removed from the building or place in which it is "herein described as being contained, without in every case the "assent or sanction of the Company signified by Endorsement "hereon, the Insurance as to the property thereby affected is "void."

Increase of risk—General.

It will be seen that what is required by the Condition to be notified is not necessarily any and every alteration in respect of the premises insured or the property therein contained, but any and every "increase of risk," and this "from any cause whatsoever." Responsibility for any alterations not notified is thereby cast upon the Insured as to whether any increase of risk is involved therein.

This responsibility attaches both to internal and to external changes, to any change, in fact, in, upon, or about the premises insured or the property contained therein.

Any change in the Insured's trade, whereby more hazardous Goods are dealt in or worked upon, should be notified to the Company. So also should the introduction of any more hazardous process, whether accompanied by a change in trade or not.

The Company should be informed of the introduction of a Stove or Boiler, or of a Drying Chamber or other mode of applying artificial heat: or of any change in the method of artificial lighting from that given in the Policy, more particularly if a means usually considered less safe is adopted.

Changes of occupancy may, of course, imply increase of risk.

Structural alterations may involve it. The addition of a storey may, in certain cases, appreciably add to the risk.

Additional hazard may be communicated by changes in the surrounding property, such as by the erection of a Theatre, Saw Mill, or other hazardous risk, or by premises which had been silent or unoccupied being brought into use.

From the cases decided it may perhaps be said that if the matter was in doubt and litigated, some actual tangible increase of risk would have to be shown to secure avoidance of liability by the Company. Increase of risk, that is, would have to be substantiated, the hazard not necessarily being accepted at the estimation held of it by the Company.

It is not advisable, however, in face of the Condition to run counter to the description of the premises given in the Policy. The risk of a Private Dwelling-house is not that of a Shop, nor a Shop that of a Laundry. In all changes which imply, for any reason, an increase in the risk, the Company should be advised, and its assent secured by Endorsement on the Policy as by the Condition provided.

Breach of Warranties.

Policy Condition:

> " Any Warranties to which the Property insured, or any " item thereof, is or may at any time be made subject, shall " attach and continue to be in force during the whole of the " currency of the Policy; and notwithstanding Condition No. , " non-compliance at any time with any Warranty shall be a bar " to any claim in respect of such Property or item."

This Condition must be read in conjunction with that just dealt with, to which it refers, but there is a sense in which it

excludes this latter. Warranties must be conformed to apart altogether from the question whether breach of them would give rise to an increase of risk or not. They constitute in law an integral part of the contract, and are strictly and literally binding upon the Insured, no matter what they contain. At the same time, it may be said, they serve to point out to the Insured, with respect to his particular class of risk, the heads under which increased hazard in the estimation of the Company arise.

Removal of Property.

This is a point left over from the consideration of the Condition at the head of the Chapter. It is one altogether distinct from that of alterations of the risk upon premises to which the insurance relates.

All removals of property must be assented to by the Company before the insurance at the new location will attach. The Company cannot, of course, be held liable for property the situation of which has not been communicated to them. They may have reasons too for not wishing to continue the insurance at the new situation when this is disclosed. They may have previously declined the risk, or they may regard it unfavourably, or be fully interested thereon or in the vicinity. Where the amount of the insurance is large, and for that or any other cause reinsurance has been effected, the Company may have the attitude of their Reinsurers to take into account. These might not be bound to follow the removal, and perhaps owing to other commitments might be unable to do so.

Onerous nature of conditions dealt with in this and the last chapter.

The question of Warranties, as also that of the removal of Property, may be said to stand apart from the other considerations involved in the Conditions dealt with in this and the preceding Chapter. The said Conditions taken in the light of the said considerations are of a very onerous nature.

They appear to set up, no doubt designedly, the high water mark of disclaimer of liability on the part of the Company, as indeed is the case with the Policy Conditions more or less throughout, leaving it open to the Company to recede or not from the vantage ground thus obtained. That literal adherence to them would in certain cases be productive of great hardship is unquestionable. That there is reasonable interpretation of the said Conditions, both as regards their letter and spirit, is perhaps equally unquestionable, so far at any rate as an honest and not over-litigious Claimant is concerned. What best serves to prove this is the rarity of the occasions on which a Fire Insurance case is brought into Court. All the same, Conditions so widely drawn are liable to be infringed unwittingly, with the result that the Insured may be placed at a disadvantage when negotiating the settlement of his loss.

Deviation Clauses.

An attempt has been made to set aside the harsher significance of the two Conditions more particularly in question, and also of the Condition relating to Warranties, by means of the "Deviation Clauses" following. It may, however, be said of these that in some respects they lean to the side of the Insured almost as much as the Conditions they supplant do to that of the Company.

MEMO :—It is hereby declared and agreed that the following clauses, Nos. 1, 2, and 3, cancel conditions Nos.....printed on the back of this Policy :—

DEVIATION CLAUSES.

1. Any material misdescription of any of the property hereby insured, or of any building or place in which property so insured is contained, or any misstatement of, or omission to state any fact material to be known for estimating the risk shall not render this Policy void as to the property affected by such misdescription, misstatement, or omission respectively, but if in consequence of such misdescription, misstatement, or omission the risk is increased the insured shall thenceforth during such increased risk be liable to pay and shall pay to the Company an additional premium, the amount of which shall in case of difference be settled by arbitration under the condition hereinafter contained.

2. If, after the risk has been undertaken by the Company, anything whereby the risk is increased be done to property hereby insured, or to, upon, or in any building hereby insured, or any building or place in which property hereby insured is contained, or if any property hereby insured be removed from the building or place in which it is herein described as being contained, without, in each and every of such cases, the assent or sanction of the Company signified by endorsement hereon, the Insurance shall not be thereby vitiated, but the Insured shall thenceforth during such increased risk be liable to pay and shall pay to the Company an additional premium, the amount of which shall in case of difference be settled by arbitration under the condition hereinafter contained.

3. Any Warranties to which the property insured or any item thereof is, or may at any time be made subject, shall attach and continue to be in force during the whole of the currency of the Policy; nevertheless, non-compliance at any time with any of the Warranties shall not vitiate the Policy, but the Insured shall thenceforth during such non-compliance be liable to pay and shall pay to the Company an additional premium, the amount of which shall in case of difference be settled by arbitration under the condition hereinafter contained.

CHAPTER IX.

Exemptions from Liability.—*Continued.*

Fraudulent Claim.

Policy Condition:

> "If the claim be in any respect fraudulent, or if any "false statutory declaration be made or used in support "thereof, or if the fire be occasioned by or through the pro- "curement or with the knowledge or connivance of the Insured, "all benefit under this Policy is forfeited."

Reference has previously been made to fires fraudulently caused, such fires excluding from all benefit under the Policy. It is questionable whether the origin of a fire supposed to be from a fraudulent cause could even form matter for arbitration. The Company, in the case of a fire which they judged to be fraudulently caused, would disclaim all liability, and the only remedy of the Insured would be to bring an action. The onus of proving that the fire was of fraudulent inception would lie upon the Company.

The claim may be fraudulent although the fortuitous origin of the fire be undoubted.

A claim, however, is not to be adjudged fraudulent without good reason. Merely constructive fraud would not, in a number of instances, be conclusive.

An exaggerated claim is not necessarily a fraudulent claim. Much would depend upon the character and extent of the exaggeration. The Insured may be genuinely mistaken as to the value of the property for which he claims. Or, he may have put in a "full" claim, in view of expected deductions

by the Assessor, or, perhaps, in ignorance of the limitations set up by the Policy. An Insured must not knowingly claim in excess of his loss, either as regards quantity or prices. He also must not claim for any property not present at the time of the fire. But should he do one or all of these things, it does not follow that his action would of necessity vitiate the Policy, as a satisfactory explanation might be forthcoming. To lodge a claim for Goods when there were actually no goods whatever belonging to the Insured existing at the scene of the fire, would suggest fraud in the absence of a proper explanation. Goods might be claimed for under a mistaken sense of liability to the Owners of them, or mistakenly otherwise, without involving the suspicion of fraud.

For the Company to repudiate the contract on the ground of a fraudulent claim, they must be prepared to prove deliberate intent to deceive.

Such intent is not restricted to the ground of the claim itself. It may extend to any steps taken in furtherance of the claim, such as any false or wilfully misleading invoices, estimates, tenders or testimony which may be submitted on its behalf.

False Statutory Declaration.

A statutory declaration in support of the claim can be called for by the Company. If this is "false or untrue in any material particular," then "the person wilfully making such false declaration is guilty of a misdemeanour." One of the consequences of such false declaration material to the issue and knowingly made will be, of course, to vitiate the Policy.

CHAPTER X.

Reinstatement.

Policy Condition :

> " The Company may, at their option, reinstate or replace " the Property damaged or destroyed, or any part thereof, " instead of paying the amount of the loss or damage in money, " or may join with other Insurers in so doing. Reinstatement " effected as nearly as reasonably practicable to be deemed " sufficient, notwithstanding that the former appearance and " condition of the Property may not be precisely restored. If " the Company elect to reinstate or replace, the Insured shall, at " his own expense, furnish to them, when required, all such " plans, specifications and information as may be deemed " necessary or expedient for the purpose."

The option possessed by the Company under this Condition, of reinstating instead of paying in money, is one the exercise of which lies entirely within their own discretion. They may exercise it or they may not. They cannot be compelled to reinstate, but may elect to do so. This election cannot, either, be assumed against the Company. It must be actually made by them. Once made it cannot be departed from. This is the case notwithstanding that the cost of reinstatement may prove to exceed such sum as payment of the loss in money would have amounted to.

An election to pay in money is also binding upon the Company. This election may be assumed to have been made when negotiations for a settlement have all along proceeded on a cash basis, and a settlement has been arrived at on that basis, although the money has not actually passed. Negotiations for such a settlement which prove abortive would still leave the option of reinstatement with the Company, however long time they may have occupied.

The Company may join with their co-insurers in reinstating. Unanimous action on the part of the Insurers might be necessary to render reinstatement possible. Where they do not however all cover identical property, reinstatement might be possible to some of the Insurers apart from the others. In that case the action of any one or more of the Insurers in electing to reinstate is not binding upon all.

As a matter of fact, reinstatement is very rarely resorted to at the present day.

Reinstatement as near as practicable sufficient.

If reinstatement is resolved upon by the Company, the Insured cannot insist that it be carried out absolutely without deviation from the conditions existing before the fire. This might be impossible, or practically so. By the Policy Condition it will be seen that "Reinstatement effected as nearly as "reasonably practicable [is] to be deemed sufficient, notwith- "standing that the former appearance and condition of the "Property may not be precisely restored."

Building reinstatements.

In building reinstatements it might not be possible to obtain all the materials as previously comprised in the structure. Any substituted must, however, be calculated to take the place of the former ones as regards strain and durability.

The new building must give the same facilities for trade or occupancy as was possessed by the old one. As far as practicable, and in the absence of any mutual agreement to the contrary, the plan of the old building is to be followed. Apart from such an agreement the Insured cannot be compelled to effect an alteration in his mode of using the building, even though the change suggested might be to his advantage.

Building restrictions imposed by Local Authorities.

A Company electing to rebuild after a fire occupy precisely the same position the Insured would if rebuilding apart from one, as regards any disability or stipulation imposed by any Local Authority. The Insured might be required to set back to a new street line, or to leave for the future a certain portion of the site, formerly built upon, uncovered. By thus restricting the area of the new building a reduction might be effected in the cost. The Company would be entitled to the benefit of this reduction, whether they elected to reinstate or adjusted the loss upon a cash basis. If, by reason of the regulations of any Local Authority, the cost of rebuilding be increased, the liability of the Company does not follow such increase, but stops at what it would have cost to rebuild had such regulation not been in force.

Reinstatement of movable property.

The reinstatement of movable property stands on a different footing to that of buildings. There are obvious limits to variation in replacing the goods destroyed. In some cases the substitute offered could perhaps claim to fulfil all practical requirements. In others it might not serve wholly the purpose of the goods destroyed, and would not therefore constitute in any proper sense a fitting replacement of these, and the Insured would be entitled to object to it on that ground. Some descriptions of movable property again are absolutely irreplaceable, such as Manuscripts, Rare Books, Antique Furniture and Works of Art.

As previously adverted to, the Companies seldom, at the present day, elect to reinstate, more particularly as regards movable property. Reinstatement is a course that bristles with difficulties, and although it must be reckoned with as an alternative, it is not one likely to be insisted upon if the Insured is at all reasonably disposed.

A point that requires to be noted with regard to movable property is, that the Company are not bound to reinstate upon the actual scene of the fire if prevented by good reason from so doing. For instance, it might not be possible to set up Machinery upon the premises where the fire occurred, but the Company could claim to be fulfilling their contract if they offer to set it up upon other premises suitable for the Insured's trade.

Plans and Specifications required.

If reinstatement is resolved upon by the Company, "the "Insured shall, at his own expense, furnish to them, when "required, all such plans, specifications and information as "may be deemed necessary or expedient for the purpose." Fire insurance being a contract of indemnity, the actual loss, not the substantiation of it, falls upon the Company. Presumably plans and specifications are held to form part of the substantiation of a loss. It is to be noted that they are to be furnished "when required." Architects' Fees, &c., to the extent of 5 per cent. of the sum insured on any building, can be covered by means of a special item applying to same in the Policy.

CHAPTER XI.

Right of Entry—Salvage.

Policy Condition :

> " On the happening of any loss or damage to any Property " in respect of which a claim is or may be made under this " Policy, the Company, without being deemed a wrong-doer, may " by its authorised officers and servants or others, enter into the " building or place in which such loss or damage has happened, " and for a reasonable time remain in possession thereof, and of " any Property hereby insured which is contained therein, and " remove and deal therewith, for all reasonable purposes relating " to or in connection with the Insurance hereby effected, and this " Policy shall be evidence of leave, and license and authority for " that purpose, but the Insured shall not in any case have any " right to abandon any Property to the Company, whether taken " possession of by the Company or not. Any obstruction or " interference by the Insured shall render this Policy void."

Entry and Possession.

The Company, it will be seen, has not only the right of entry, but also the right of possession of the premises.

The right of entry it is obvious must be conceded for the purposes of viewing and checking the damage.

Possession must be taken on reasonable grounds, and the Insured's right to the use of his premises for trade purposes not interfered with except for sufficient cause. For instance, if the fire had been only a slight one it might be unreasonable to wholly prevent him from trading. The Company would be entitled to have the damaged property separated from the remainder, and to interdict his dealing with the same except with their knowledge and sanction.

The right of possession is, of course, a limited one. The Company may remain in possession of the premises and of any insured property contained therein " for a reasonable time."

During the time they are in possession it is obvious the Insured must be allowed access to the premises for the purpose of preparing his claim. All reasonable facilities must be allowed the Insured to this end, just as he must, on his part, when possession remains with him, afford all reasonable facilities to the Company in the checking of the claim. Neither must, in these matters, act to the prejudice of the other.

"A reasonable time" implies that possession is held for reasonable purposes. The Company, if its requirements have been properly met, must not unduly prolong their possession for the purpose of starving the Insured into submission to their views with regard to his claim.

Salvage.

The damaged property, or salvage, the Company are entitled to sort, renovate or otherwise deal with, and may remove it from the scene of the fire for such purposes. All action taken with regard to the Salvage is on behalf of whom it may concern, until the final disposition of the Salvage is known, and the Insured is entitled to check the Salvage both before and after, and also to be present at the removal. He is, in fact, entitled to be present at any dealings with the Salvage whatever.

There is little doubt the Company may sell the Salvage, by public auction or otherwise, whether their power to do this is specifically referred to in the Policy Condition or not. The Insured may bid a price for it, privately or otherwise, but the Company is not bound to accept his offer.

How far the Salvage may comprise undamaged property forming part of a set or special order, which, lacking completeness, is claimed to have been thereby rendered useless for its intended purpose, remains always a moot point.

The Company is not bound to take over the Salvage, and the fact that they have taken possession of it for any purpose is not evidence that they have taken it over.

The Insured has not "any right to abandon any property "to the Company, whether taken possession of by the "Company or not." Without having the Salvage put down to their account the Company is entitled to take what steps it favours for making the most of the Salvage in any way possible for the benefit of all concerned.

Obstruction or interference.

"Any obstruction of the Company by the Insured" or interference with any of the powers exercisable by the Company under the Condition in question is declared by the said Condition to render the Policy void. No qualification is attached to either term, but presumably such obstruction or interference must be wilful and of a material nature.

CHAPTER XII.

Contribution of Policies to the same loss.

Policy Condition:

"If, at the time of the loss or damage, there be any other "Insurance, effected by the Insured or by any other person "[on his behalf], covering the property affected by the fire,

"(*a*) This Company shall not be liable to pay more than its "rateable proportion of the loss or damage."

"(*b*) And if such other Insurance be subject to Average and "applies solely to Property which is in and subject to the "same risk only as the Property covered by this Insurance, "then this Insurance shall be subject to Average in like "manner."

Another Form of the Condition is given on page 57.

Section (a). Contribution.

The object of Section (*a*) of the Condition is clear. As the Insured cannot recover, where there are several Companies interested, more from all of them than the total of his loss, so also he is not to recover from any one of the Companies, singly, more than its rateable proportion.

Without such Condition the Companies would be in the position of insuring the property jointly and severally. The Insured could, in that case, claim the whole of his loss from one of the Companies, leaving the one thus selected to its right of recovery over against the others. The Condition avoids this circuity.

The same property may be insured but not the same interest.

That the Policies contributing do so on the ground that they insure the same property is clear.

What is equally the intent of the wording of the Condition is that they need not represent the same interest. The insurances liable to contribution may have been "effected by the Insured or any other person" according to one form of the Condition, or "effected by the Insured or any other person or persons on his behalf" according to another. The second form of the Condition would seem to restrict the area of contribution to Policies taken out by other parties in relief of some liability to the Insured as the owner of the property, or on account of some interest joined with his. The first form would apparently extend the said area so as to bring in all Policies insuring the same property, no matter by whom effected or in what capacity. The objection to thus ranking Policies together, where joint contribution is not inevitable, is, that a Policy may be rendered incapable thereby of meeting fully a loss proper to itself through rendering unnecessary assistance in another direction.

To seek to bring Policies into contribution irrespective of interest, is as much as to say that an insurance can attach to the property itself, the same as a right, of light, or a right of way. But this is not the case, either in law or in fact. To insure against fire, is, of course, impossible. The insurance is against the consequences of fire to the interests represented by the party or parties named in the Policy. The contract is a personal one to indemnify the said party or parties in respect of their interest, and to indemnify the said party or parties only. If the interest named in the Policy has not been damnified by the fire no claim against the insuring Company could, at first hand, be sustained at law. Can such Policies,

therefore, be brought under contribution to a loss at second hand?

Two representative cases may be taken; one, a policy taken out by a Mortgagee, in his own name only, the other a policy taken out by Merchants on Goods in the hands of Wharfingers responsible for fire risk. Here, the same property would be covered as by Policies taken out, respectively, by a Mortgagor in his own name only, and by Wharfingers in their own name only, the latter Policy covering "Goods, "their own, or held by them in trust or on commission, for "which they are responsible." The former Policies in a sense may be said to be taken out "on behalf" of the Insured by the latter Policies, although they form only a collateral insurance of a primary responsibility clearly existing.

It was on this latter ground that contribution failed to be established when the cases in question were litigated. A payment made by a Company, which is in relief of a responsibility clearly existing on the part of some other person, imparts to the Company the right of recovery against that person. It becomes subrogated to the remedy of its Insured over against the said person. This right of recovery exists, up to the full extent of responsibility, whether the Policies in the name of the responsible parties prove adequate to bear the whole of the liability incurred or not.

Where subrogation is thus set up, contribution to the loss cannot, in law, be said to exist. At the same time there is nothing to prevent the Companies from agreeing, as between themselves, to share losses in common, irrespective of the interests involved, where Policies relate to the same property. It is understood, in fact, that such an arrangement exists in respect of certain descriptions of property. The Insured is

not, and from his legal standpoint must not be prejudiced thereby.

Method of Contribution.

Policies which are subject to Average will be dealt with separately. Policies not so subject, when contributing to a loss do so proportionately to the amounts they insure upon the same property. When Policies are divided into items the contribution is between the corresponding items of each Policy.

Concurrent Policies.

Policies insuring the same property to the same effect, if not in the same actual words, are what is known as concurrent.

The rule as to contribution between concurrent Policies is a simple one. Where the loss equals or exceeds the total of the insurance applying thereto each Company has to pay its share of the loss in full. Where the loss is less than the said total each Company has to pay of any insured sum applying, the proportion this bears to the total of the insured sums applying.

Non-concurrent Policies.

The difficulty arises when the Policies are what is known as non-concurrent. That is, when the Policies insure the same property, but property other than that thus insured in common is included in any insured sum by any one or more of them.

What occasions the difficulty is, the lack of any equitable and clear rule by which such more inclusive insured sum can be divided between the property so insured in common and such other property. If A is insured by one Policy, B by another, and A and B in one amount by a third Policy, and all by different Companies, how much of the Policy last

mentioned should be held to apply to A, and how much to B, in case a loss occurs in each. Should the loss occur in A only, or in B only, the whole amount would have to rank against it, as the Policy covers either or both.

With a loss in both A and B, it might be thought the Policy on both should be divided proportionately to the amount of the loss in each. But this would mean that a larger share of the Policy would fall to the larger loss, whereas neither of the Companies insuring A and B, singly, has any right of priority the one over the other in respect of a contribution from the third Policy.

Another method would be to apportion the joint Policy in accordance with the respective values of A and B. This might not have the effect as in the former case of preferring the Company having the larger single loss over the other. Still it would be according a preference. Loss payments, too, are to be adjusted to loss only, and not to value in the case of Policies which are not subject to Average.

The Rights of the Insured as to Contribution.

There is a factor determining, to a certain extent, how contribution shall take place, and that is that the Insured shall not be prejudiced unnecessarily thereby. He is entitled to have his Policies so brought into account as to receive the greatest benefit from them consistently with contribution taking place. To effect this the Policy liable for both losses may be set against either the larger or the smaller loss first, the balance after contribution being carried down to the loss next taken, or, the mean of the results given both ways may be adopted. The latter is sometimes only an adjustment by the Companies of their own inter-liability, the total payment to the Insured being unaffected.

Section (b). Policies made subject to Average.

"(b) And if such other Insurance be subject to Average and "applies solely to Property which is in and subject to the "same risk only as the Property covered by this Insurance, "then this Insurance shall be subject to Average in like "manner."

This second section of the Condition provides that the Average Clause shall be applied to a Policy that would be otherwise free of it, if another Policy, contributing to the same loss, has been issued thereunder.

The change thus effected in the character of a Policy may have most serious consequences to the Insured.

A Policy that is not subject to Average is responsible for the payment of any loss that may occur up to the amount it insures. Under a Policy which is subject to Average that amount only of the loss is payable which the insurance represents of the value. The only limit to the liability of a Non-Average Policy is that of the amount insured thereby. The liability under an Average Policy is dependent upon the extent to which the insurance represents the value of the property. A more or less serious deduction from the amount of the loss is involved according to the degree in which the property has been left under-insured.

When under-insurance is present, the contribution of a Non-Average Policy, as such, to a loss, might be seriously increased by the fact that another Policy contributing was Subject to Average. Hence the stipulation by the Condition that the Average Clause must apply in the case of both Policies. The Insured, however, may be mulcted by its being thus applied, to the extent practically of resolving the Policy not originally Subject to Average into a new contract.

The following Example, with the transpositions of it shewn, will perhaps serve to make the matter clear :—

	Value.	Loss.	Insurance.	Liability.	Payment.
1. Neither Policy Subject to Average...	(not in question) (not in question)	£ 2,500	£ 2,000 1,000	£ 2,000 1,000	£ s. d. 1,666 13 4 833 6 8
		£2,500	£3,000	£3,000	£2,500 0 0

	Value.	Loss.	Insurance.	Liability.	Payment.
2. One Policy free of and one Subject to Average ...	(not in question) £4,000	£ 2,500	£ 2,000 not S. to Av. 1,000 Sub. to Av. $= \frac{1,000}{\text{Value } 4,000} = \frac{1}{4}$	£ 2,000 625	£ 1,904 596
	£4,000	£2,500	£3,000	£2,625	£2,500

	Value.	Loss.	Insurance.	Liability.	Payment.
3. Both Policies Subject to Average...	£ 4,000	£ 2,500	£ $2,000 = \frac{2,000}{4,000} = \frac{1}{2}$ $1,000 = \frac{1,000}{4,000} = \frac{1}{4}$	£ 1,250 625	£ 1,250 625
	£4,000	£2,500	£3,000	£1,875	£1,875
				Insured loses ...	625
					£2,500

It is not often perhaps that Non-Average and Average Policies are thus brought into juxtaposition, not at any rate those applying "to Property which is in and subject to the same risk only." The insertion of the Average Clause follows rules clearly laid down, to which all Companies, it may be said, in their practice conform. It is not likely, therefore, that the Average Clause omitted from one Policy would be inserted in another. Not, that is, when the Policies cover the same range. The Clause would either be omitted from or inserted in both. Otherwise the result to the Insured might be as shewn. He might actually be placed in a worse position from taking out a further additional Policy than if he had maintained his insurance at the original figure. Whether such an inversion of the contract could be thus brought about, and the Insured heavily mulcted for the Company's protection, affords room for grave doubt.

The Contribution Condition in another Form.

Policy Condition:

> "If at the time of any loss or damage arising there be any "other subsisting Insurance or Insurances covering such loss or "damage, the Company shall not be liable for more than its "rateable proportion thereof; and if any subsisting Insurance "covering any property hereby insured, either exclusively or "together with any other property, shall be subject to any "Condition of Average, the Insurance on such property under "this Policy shall be subject to such Condition of Average in "like manner."

Although this form of the Condition is not divided into sections it covers the same ground as the other, namely:—contribution, and the application of Average where the same did not previously attach.

Contribution.

The previous remarks with respect to contribution apply, with equal or with greater force, to the Condition in this form, and need not be added to here. By it contribution would appear to be set up if "there be any other subsisting

insurance or insurances." No mention is made by whom or on whose account such insurance may have been taken out.

Average.

With respect to the application of Average this form of the Condition differs from the one preceding on two points.

The other form of the Condition limits the carrying over of Average to cases where practically the same property only is covered by different policies. Here, the sum insured by one policy may extend to other and different property from that insured in common. Such extension shall not, however, prevent the said insured sum, if itself subject to Average, from imposing the Average Condition upon the sum insured by another policy not subject thereto with which it may be called upon to rank. This is a distinct widening of the Condition.

A further most noticeable extension is effected by means of the Condition in this second form. In the first form of the Condition the property to be so subjected to Average must be "in and subject to the same risk only." The omission of these words in the present form would allow of one insurance imposing the Condition of Average upon another which differed altogether from it in character, and to which no Average Condition would in an ordinary way ever be applied. One insured sum applying to two or more separate warehouses would be subject to Average, but not a sum insured upon each warehouse singly. Nor would Average carry over to the latter by means of the first form of the Condition, though it apparently would by the second.

The intention of this modern form of the Condition evidently is, that if Average is to be applied at all to property under contribution, no matter under what circumstances, it must be applied all round. The protection thus afforded to the Company is obvious, but so also is the hardship that may be inflicted upon the Insured.

CHAPTER XIII.

Average.

Conditions of Average :

1. "Whenever a sum insured is declared to be subject to "Average, if the property covered thereby shall, at the "breaking out of any fire, be collectively of greater value "than such sum insured, then the Insured shall be "considered as being his own Insurer for the difference, "and shall bear a rateable share of the loss accordingly.

2. "But if any of the property included in such Average shall, at "the breaking out of any fire, be also covered by any other "more specific insurance, *i.e.*, by any insurance which, at "the time of such fire, applies to part only of the property "actually at risk and protected by this insurance, and to no "other property whatsoever, then this Policy shall not "insure the same, except only as regards any excess of "value, beyond the amount of such more specific insurance "or insurances, which said excess is declared to be under "the protection of this Policy, and subject to Average as "aforesaid."

The First Condition of Average.

The first, or *pro rata* Condition, as it is called, deals with the question of under-insurance. It provides against the Company being called upon to pay the whole of the loss when a part of the value of the property has been left uninsured.

It does this by constituting the holder of the Policy his own Insurer for any difference in the value of the property over and above the insurance, precisely as if he were another Company which had issued a Policy for the amount required to bring the insurance up to the level of such value. If the property has only been insured up to one-half its value,

then he is held as being his own Insurer for the other half, and similarly, of course, for any other proportion of the value that has been left outside the protection of the Policy.

The value that has to be thus set against the insurance is the value at the time of the fire breaking out. There may have been fluctuations of the value, more particularly in certain classes of property, but the value as then ascertained is the value that has to be taken into account.

This value is not, however, necessarily limited to the property affected by the fire. The value of property which may be unaffected thereby must be included if both are comprised in the one insured sum. This is the case whether the two descriptions of property, affected and unaffected, are at the same or at different situations. A fire occurring in a warehouse may affect certain goods and leave others untouched, or may affect Stock, perhaps, and not fixtures. If both the damaged and undamaged property are insured by the Policy in one amount, then the value of both must be taken. Similarly, if property, of whatever kind, located at different places is insured in one amount, then the value of the property in all such places must be taken into account, whether the fire has extended to them all or not. The fire may have been confined to one of such places, but the value in all of them must be reckoned, the value required to be ascertained for the purpose of the first Condition of Average being the value "collectively" of all the property to which any one insured sum relates.

If the full value of the property, ascertained as before-mentioned, is found to be represented by the amount of the insurance, the loss falls wholly upon the Company. If not so found, the loss is divided between the insured and the uninsured portions of the value. The Company is responsible for the one and the Insured for the other.

Of course, no payment in respect of a loss can exceed the amount of the Policy, whether the Policy be subject to Average or not. But, as pointed out in the last Chapter, a loss is payable, where the Average Clause is not present, up to the amount of the Policy, without any question of the relation the insurance bears to the value being raised. When a Policy is subject to Average, the loss may be less than the sum insured by the Policy, and yet the full amount of the loss will not be payable if the property has been left partially uninsured. In the one case the extent of liability is the full amount of the loss up to but not exceeding the amount of the Policy. In an average case only that proportion of the loss which the insurance bears to the value of the property is payable. This rule applies whether the loss be large or small, whether within the amount of the Policy or exceeding it.

It does not follow that less than the amount of the Policy will be payable in every case. Suppose a value of £4,000, with an insurance of only £1,000 applying thereto. Here three-fourths of the value would be left unprotected by insurance, and would consequently be at the risk of the Insured. For any loss which might happen he would, therefore, be responsible for three-fourths, and the Company for one-fourth. To a loss of £1,000 the shares of the Insured and the Company would stand at £750 and £250 respectively; to a loss of £2,000 at £1,500 and £500 respectively, and to a loss of £3,000 at £2,250 and £750 respectively. If the loss amounted to £4,000, owing to the total destruction of the property, the Insured's loss would amount to £3,000, and £1,000 would be payable by the Company. This would be the full amount of the Policy and is payable because, and only because, it is that share of the loss which the insurance represents of the value.

If the full value of the property is insured, a Policy subject to Average occupies the same position towards a loss,

that a Policy does which is not subject to Average. Any loss would be recoverable in full under either up to the amount of the Policy.

Failing insurance up to full value, or complete obliteration of the value by the fire, technically termed "a total loss," the payment under an Average Policy will always be less than under a Non-Average one. It will be curtailed, as compared with the latter, by having to bear only that share of the loss which has been insured of the value, leaving the uninsured portion of the value to bear its own share of the loss. In the words of the Condition, "the Insured shall "be considered as being his own Insurer for the difference "[in value], and shall bear a rateable share of the loss "accordingly." If the Insured has left his property under-insured and it is destroyed, he must be prepared to suffer even if his Policy be not subject to Average. The first or *pro rata* Condition of Average stipulates that he shall bear, of any partial loss, the same proportion he would irremediably have to bear of any "total" one.

Contribution under Average.

The proportion an insured sum which is subject to Average represents of the value of all the property comprised thereunder, is the proportion it represents of any part of that value. This proportion over the whole of the property will determine the contribution to a loss occurring in any part of the said property. Thus, if an insured sum applies to A, B and C, and its proportion of the value of all three is one-third, this is the proportion it will be liable to contribute to a loss upon any one of the three singly, upon any two, or upon the whole combined, according to the manner in which they may be insured by other policies.

The difficulties, inherent in Policies not subject to Average, when those of a more and those of a less comprehensive

nature are brought into contribution, do not arise in the case of Average Policies. The determining factor of the value of all the property protected by an insured sum being brought into play, affords a clear and equitable method of apportioning the insurance amongst any of the component parts of the said value.

The Second Condition of Average.

So far only the first or *pro rata* Condition of Average has been dealt with.

The second Condition of Average is inserted in some Policies along with the first. It is never dissociated from the first Condition, though the first is, perhaps, oftenest used alone.

The use of both Conditions is restricted to certain descriptions of insurance, chiefly to those of a "mercantile" character as they are termed. By "mercantile" insurances is meant insurances applying to Carriers' and other public Warehouses, Wharves, Docks, Quays, and premises of a similar character.

A Contribution Condition really.

The second Condition of Average stipulates that a primary liability for the loss shall attach to an insurance whenever the circumstances named therein are present. It is a condition of contribution really and not of average.

The enforcing circumstances exist whenever an insurance has under its protection, in the first place a part only of the property to which another insurance relates, and in the second place no property other than such part. The insurance first mentioned would be the "more specific" one.

In such a case a prior liability attaches to the insurance protecting the part and nothing but the part, to pay the loss upon such part. To pay the whole of the loss, that is, if capable of bearing it. If so capable, the other insurance, applying to more than the said part, would escape liability altogether. If not so capable, then such other insurance would

have to contribute to the loss, but only to the excess of value beyond the reach of the insurance having prior liability.

The second Condition of Average would be operative in the following cases :—

Let A represent Cotton lying in a Carrier's Warehouse ;

B represent Cotton and Yarn in the said Warehouse ;

C represent Merchandise generally in the said Warehouse ; or

Let A represent Goods lying at a specified Warehouse or specified Warehouses at a particular Dock ;

B represent Goods lying at all or any of the Warehouses at that Dock ;

C represent Goods lying at all or any of the Warehouses at that Dock and some other Dock or Docks.

It follows that an insurance upon A will be "more specific" than one upon B, and one upon B than one upon C. For a loss occurring in A the insurance confined to A will be primarily responsible. If able to discharge the whole of the loss it will be called upon to do so, and the insurances upon both B and C escape, although, of course, they each cover A but along with other property.

If the insurance upon A alone is not able to discharge the whole of the loss, it must still pay as much of it as if it were the only insurance existing. Not until it has thus exhausted its liability does that of the insurance upon both A and B arise. This is for the balance of the value, eliminating that portion previously taken into account, and not until liability has been exhausted, as in the preceding case, would any liability fall upon the insurance upon A, B and C. If a balance still remained of the loss, after the liability upon A, B and C had been similarly exhausted, it would fall, of course, upon the Insured.

The liability of the Policy first called upon is, it may be said, an absolute one. That of the other Policies is successive thereto and to each other. The Policies are not called upon for a joint contribution to the loss, but only to pay any sum left over after previous contributors have exhausted their liability.

It will be seen that a Policy containing the second Condition of Average decrees, in effect, the contribution of another Policy towards a loss by defining its own. It is not necessary such other Policy should contain the second Condition, nor that it should be subject to Average. Of course, the fact that the Policy having initial liability was not subject to Average, might reduce the excess of value to be carried down to the Policy possessing secondary liability, just as the fact that it was so subject might have the effect of increasing it.

As stated previously, the second Condition is never inserted in a Policy apart from the first. Any Policy, therefore, entitled by the second Condition to take up a position of secondary liability to a loss, is further entitled to claim the benefit of the first Condition in respect of that portion of the loss to which alone its liability applies. That "excess of value beyond the amount of such more specific Insurance," which is all that a Policy benefitting by the second Condition applies to, the said Condition provides shall be "subject to Average as aforesaid."

When the second Condition of Average becomes inoperative.

The second Condition of Average may become inoperative in two ways. The "more specific" Policy, before it can be called upon to settle first, must apply to "no other property whatsoever" than to the part it covers, of property, which, as a whole, is protected by the Policy of wider range. The latter Policy, too, must have property "actually at risk" where it extends beyond the more specific one.

If the Policy on A had extended to property other than that comprised under either B or C, say to property D, and had thus become an insurance on A and D, prior responsibility for a loss upon A would not attach to it. It would be entitled to rank with and not in priority to the Policy on A and B. Similarly if the Policy on A and B had extended to property outside the range of A, B, and C, it would not have ranked in priority to the Policy on that range.

If at the breaking out of a fire in A, there proved to be no property to protect in B, then the Policy upon A and that upon A and B would rank together, as if they had both applied to A only, but with prior liability to the Policy upon A, B, and C. If no value were present in either B or C, then all the three Policies would rank together for a loss upon A as if they had applied to A only.

Complications may arise, under certain circumstances, in the application of the second Condition of Average. These it is unnecessary to enter upon. The whole question of priority of liability under the said second Condition is one that really concerns the Companies alone. However the apportionment of liability based upon the said second Condition works out amongst the Companies themselves, the Insured is not mulcted by it in the total he recovers, and in some cases is distinctly benefitted.

Special Condition of Average.

Condition :

> " When a sum insured is declared to be subject to the " ' Special Condition of Average,' then if such sum shall, at the " breaking out of any fire, be less than three-fourths of the value " of the property insured in that amount, the Insured shall be " considered as being his own Insurer for the difference between " such sum insured and the full value of the property, and shall " bear a rateable share of the loss accordingly."

The special Condition of Average, is in certain cases, applied in place of the ordinary first or *pro râta* Condition.

In view of what has already been said upon the subject of Average it may be dismissed in a few words.

It simply enacts, in effect, that the ordinary Condition of Average shall come into operation if the insurance fails to reach a specified proportion of the value of the property to which such insurance relates. This proportion, as before given, is three-fourths. It may, however, vary from this. Sometimes half (fifty per cent.) or four-fifths (eighty per cent.) is the stipulated proportion.

If, then, the insurance on the property, at the time of the fire, equals or exceeds the proportion thus specified of the value of the property, as then ascertained, such insurance stands free of Average. The question of value, that is, does not come into play. Whatever the loss is, the sum insured, up to its full amount, is liable therefor, and such full amount would require to be brought into contribution with any other Policy. If the insurance falls short of the specified proportion of the value then the ordinary first or *pro râta* Condition of Average applies.

CHAPTER XIV.

Subrogation.

Policy Condition:

> "The Insured and any Claimant under this Policy shall, at "the expense of the Company, do, and concur in doing, and "permit to be done, all such acts and things as may be necessary "or reasonably required by the Company for the purpose of "enforcing any rights and remedies, or of obtaining relief or "indemnity from other Parties to which the Company shall be, "or would become entitled or subrogated, upon their paying for "or making good any loss or damage under this Policy, whether "such acts and things shall be or become necessary or required "before or after his indemnification by the Company."

Though not perhaps generally known, a right of recovery exists, under certain circumstances, for loss or damage by fire, caused even inadvertently, by one person to the property of another. The fire simply may have spread from its point of origin to adjoining or proximate premises, or it may have been communicated to premises directly, say by sparks from a locomotive, or a road engine, by the proximity of bonfires, the letting off of fireworks, or the burning off of heather or gorse.

This right of recovery exists in respect of "negligence," legally defined, as opposed to an "accidental" fire. Such negligence is, however, a difficult matter to substantiate. For one thing, contributory negligence might be pleaded as a set off.

Though entitled to call upon the Insured to take steps, or permit them to be taken, for the enforcement of his said right, the Companies seldom do so, it may be said, in ordinary cases of a fire spreading to adjacent property. Each Company is generally content to indemnify its own Insured and there let the matter rest.

Where, however, the fire has been communicated by some outward cause, such as any of those before indicated, they may require the Insured to put his right or allow it to be put into force. If property were set on fire in a riot, or by some unlawful public assembly, undoubtedly steps to recover would be initiated against the proper authority.

The Insured possesses a double remedy in respect of any loss so occasioned. His primary right of recovery is against the party or parties at fault. He has also his remedy against the Company, and if this is exercised, the Company become subrogated to his primary right, or in other words, take it over. The Subrogation Condition simply binds the Insured to "do and concur in doing," at the expense of the Company, for their benefit, whatever may be necessary to enforce a claim against the party or parties responsible to him. "Permit to be done" are words also employed in the Condition. For one thing the Company would require to use the name of the Insured in any action to be taken at law, the legal liability in the case being to him and not to them.

By the concluding portion of the Condition the Company can invoke the assistance of the Insured "before or after his indemnification" by them. The liability of the Company to eventually indemnify where they may have held indemnification over, is not, however, to be considered as disputable. They would possess no ground of Subrogation except by assuming liability, and are responsible to their Insured whatever may be the result of action taken against third parties.

Subrogation pre-supposes complete indemnity of its Insured by the Company. Where this has been made, the Insured would not be entitled to compromise in any action, although brought in his name, without the consent of the Company.

Where the amount of the Insurance is insufficient to fully recoup the loss, the action must be brought by the Insured

for the full loss and not merely for the amount in excess of that payable by the Company. In such a case the Insured could compromise, but not to the detriment of the Company. He occupies the position of a Trustee for the Company for the amount recovered on their behalf.

It is, of course, no answer to the liability of the parties proceeded against, that the Insured had recovered, or would recover, the whole or a part of his loss from the Company.

Subrogation may arise out of a contract entered into, or a liability assumed, and not upon culpable grounds. A Warehouse Keeper may be responsible for the consequences of fire to the goods in his possession. A Lessee or other party, not the actual Owner, may be responsible in respect of a building.

The Insured is not entitled, upon the occurrence of a fire, to enter into any contract with persons liable to him not to prosecute his claim against them, or for the withholding of his name from any action. Such procedure on his part would be to the prejudice of the Company.

A contract for the avoidance, in whole or in part, or for the limitation of the liability of such persons may be legal if entered into by the Insured before the fire. There must, however, be no misrepresentation to or undue concealment of such contract from the Company effecting his Insurance.

Subrogation must have a legal basis. Voluntary rebuilding or replacement of property after a fire, such as by relatives or friends, where no liability exists, would not entitle to it.

CHAPTER XV.

Arbitration.

Policy Condition:

"All differences arising out of this Policy shall be referred "to the arbitration of some person to be appointed in writing "by the parties in difference, or of two disinterested persons, "one to be appointed in writing by the party claiming "and the other by the Company, within one calendar month "after either party has been required so to do by the "other party, and in case of disagreement between the "Arbitrators, then to the decision of an Umpire, who shall "have been appointed in writing by the Arbitrators before "entering on the reference, and who shall sit with the Arbi-"trators, and preside at their meetings during the reference, "unless the Arbitrators shall otherwise agree in writing, and "the death of any of the parties shall not revoke or affect the "authority or powers of any Arbitrator or Umpire, and each "party shall bear or pay his own costs of the reference, "and a moiety of the costs of the award, and in all other "respects the submission to Arbitration shall be subject to the "provisions of the Arbitration Act, 1869, or any statutory "modification thereof, and may be made a rule of His Majesty's "High Court of Justice in any division, upon the application of "either of the parties. And it is hereby expressly declared to "be a condition, precedent to the liability of the Company in "respect of any claim under this Policy, that the claim shall, "if not admitted, be referred to and determined by such "Arbitrator, Arbitrators, or Umpire as aforesaid, and the "claimant shall have no right of action against the Company "except for the amount of the claim, if admitted, or the amount, "if any, awarded by such Arbitrator, Arbitrators, or Umpire."

Another form of the same Condition:

"Any differences arising out of this Policy, shall be referred "to the decision of an Arbitrator to be appointed in writing by "the parties in difference, or, if they cannot agree upon a single "Arbitrator, to the decision of two Arbitrators, one to be "appointed by each of the parties, in writing, or in case of "disagreement, of an Umpire appointed by the Arbitrators in "writing before entering upon the reference; the costs of the "reference and award to be in the discretion of the Arbitrator, "Arbitrators, or Umpire making the award, whose award shall "be a Condition precedent to any liability of the Company or "any right of action against the Company in respect of any "claim."

There is considerable divergence in the wording of this Condition as adopted by the Companies, but with substantial underlying agreement.

All forms of the Condition provide as follows :—

For the submission of all differences to Arbitration.

For the appointment of an Arbitrator, Arbitrators, or Umpire, and

For the costs of the reference and award.

They further provide that submission to Arbitration shall be a Condition precedent :—

To the liability of the Company in case of any disputed claim.

To any right of action against the Company, except for the amount of any admitted claim, or the amount of the award in the case of any disputed claim.

It is undeniable that the most convenient course is a reference to Arbitration in all those cases, bearing more especially upon the amount of the claim, and involving the presentation of a considerable body of evidence, more or less of an expert character, requiring time for its careful weighing and sifting. There is very little doubt that the Courts themselves, in such cases, would, if applied to, order such a reference, to prevent their own time being unduly taken up upon matters with which an Arbitrator would be fully competent to deal.

On the other hand there is a wide divergence between this view, as taken of certain cases, and the required submission of all cases to Arbitration, such submission constituting also a condition precedent to liability and to access to the Courts. The Courts, could they have their say in the matter, would not be likely to regard with favour a contract the full effect of which they might

consider as an attempt to oust their jurisdiction in matters over which they should have control.

If the Company repudiate liability the Insured is at liberty to apply to the Courts to compel payment. Should he do so the Company would have to rely upon its main ground of defence alone, whether fraud, or non-compliance with the Conditions of the Policy, whatever it might be. They could not alternatively plead that the claim had not been submitted to Arbitration. On the other hand, if the Company required a submission to Arbitration, and the Insured was unwilling to comply, and took them into Court, would the Court uphold the Company, should the matter in dispute be not one of account but one clearly involving the repudiation of the contract? In a case which was tried, fraud and non-compliance with the Conditions of the Policy were pleaded by the Company, and also that the ascertainment of the amount by Arbitration was a Condition precedent to any action. The decision was that the two former pleas be tried, and that the amount should be referred to Arbitration if the Insured gained the verdict. It had been laid down previously in a case by the House of Lords, as a principle of law, that parties cannot by contract oust the Courts of their jurisdiction.

Arbitration and Liability.

A submission to Arbitration is not necessarily conclusive as to the liability of the Company. It would not form a barrier to a plea of fraud afterwards.

Reinstatement and Arbitration.

Where the Company decide upon reinstatement they must be considered as having parted with the right to arbitrate, and they could not compel the Insured to submit to Arbitration the question whether the reinstatement had been efficiently carried out or not.

Revoking Arbitration.

The Company could revoke Arbitration proceedings on such a ground as that the Insured had not delivered to them particulars of the loss as required by the Conditions of the Policy. Should they do so, they would have still the right to proceed to Arbitration afterwards. Presumably the Insured would bring an action against them and the Court would order Arbitration coupled with the furnishing of the necessary particulars.

Method of Arbitration.

The mode of setting an Arbitration on foot differs little by any of the Companies' Conditions. An Arbitrator mutually agreed upon may be appointed. Failing agreement upon a single Arbitrator then two Arbitrators are to be appointed, one by each of the parties to the dispute. The Arbitrators must be persons not in any way pecuniarily interested in the case. They must be appointed, in writing, within one calendar month after either party has been required (presumably in writing) by the other so to do. The Arbitrators before entering upon the reference must in writing appoint an Umpire. The Umpire is to preside at the meetings unless the Arbitrators shall in writing determine otherwise. In case the Arbitrators disagree as to the award, then the decision of the Umpire is to be final, though they may agree beforehand to leave the decision in the hands of the Umpire.

It is usual for each of the parties to submit a list of names to the other, from which the Arbitrator, or Arbitrators, or Umpire, respectively, can be chosen. Failure on the part of one of the parties to nominate an Arbitrator, within the stipulated time, when requested to do so by the other, would leave the appointment of a single plenary Arbitrator in the hands of the party so requesting.

Costs.

Where the Arbitration Condition in the Policies of the different Companies varies considerably is upon the question of costs.

Some Companies stipulate that each party shall bear their own costs of the reference and a moiety of the costs of the award. Others leave the costs, both of the reference and award, in the discretion of the Arbitrator, Arbitrators or Umpire. It is sometimes stipulated that the costs so left shall be those "only as between party and party," and that these may be ordered to be taxed. Sometimes it is stipulated, as in one form of the Condition given, that "the submission "to Arbitration shall in all other respects be subject to the "provisions of the Arbitration Act, 1869, or any statutory "modification thereof, and may be made a rule of His Majesty's "High Court of Justice in any division upon the application "of either of the parties."

Some Companies append to their Arbitration Condition a proviso that no claim shall be pursuable after the expiration of one year from its origination, if in the meantime it shall not have been referred to Arbitration.

CHAPTER XVI.

Consequential Loss.

Fire insurance, in its ordinary capacity, being strictly a contract of indemnity against direct loss or damage to the property actually affected by the Fire, all loss of an indirect or consequential character has to be made the subject of a special Policy. Such consequential loss comprises Rent, Rates, fixed charges such as Debenture or other interest, Salaries, and all other outgoings which may continue notwithstanding the fire, whilst to these may be added Loss of Profits.

The several systems of recouping this indirect loss in vogue, all have as their basis, and as a condition precedent to liability thereunder, the fact of a direct loss payment having been made or being about to be made. The Policy covering indirect loss is, therefore, dependent upon and follows the fortunes of the Policy covering direct loss, so far at least that liability cannot arise under the former where it proves not to attach under the latter. The two Policies may be said thus to stand or fall together upon the question of liability, but where this is not disputed the two settlements might conceivably follow independent lines. The actual amount of direct loss may not have been determined, but the ascertainment of indirect loss might proceed without waiting for this, except where the amount recoverable as indirect loss is made to depend entirely upon that recovered as direct loss.

Where this system has been adopted, the sum insured against indirect loss constitutes a certain fixed percentage of that insured against direct loss, usually ten or fifteen per cent., and the settlements automatically follow one upon the other.

The amount of indirect loss payable may be based upon decreased output as the result of the fire. The sum insured against indirect loss represents the profit, after all outgoings, upon the standard output over a certain period, both the amount of the said output and the extent of the said period being named in the Policy, usually three or six months as regards the latter. According to the deficiency in output so is the share payable of the sum insured, but proportioned to the time during which the deficiency may continue, until the full period named in the Policy has been reached, a statement being usually drawn up at monthly intervals.

By another method a sum is insured against consequential loss in respect of a certain fixed period and output, and the payment is proportioned to the number of days the Works may be laid off.

By the system which is perhaps more generally adopted, two sums are usually Insured against consequential loss, one representing rent, rates and taxes, and salaries to permanent staff, and the other Debenture or other interest or Loss of Profits, over a certain period named in the Policy, usually six months. The aliquot part of such sums is payable for each month during which the output or turnover of the business entirely ceases. If the output or turnover is diminished only, the payment per month is proportioned to the shortage as between such month and the output or turnover for the corresponding month in the year preceding the fire.

In most of the systems a professional accountant is required by the Policy to certify the loss, such accountant to be mutually agreed upon by the Company and the Insured, or, failing their so agreeing, to be nominated by either the

President of the Institute of Chartered Accountants in England and Wales or in Scotland, or the President of the Society of Incorporated Accountants and Auditors, whichever the Insured may select.

Other special modes of Insuring Consequential Fire Loss may be arranged, but the basis of all settlements is the fact of admitted Direct Loss.

It is to be noted that any period fixed, during which the indemnity is to operate, is not necessarily bounded by the expiry date of the policy. The claim must of course originate on or before that date but may extend beyond it until the said period is completed.

Loss No......

CLAIM FORM. (*a*)

EXEMPLAR FIRE INSURANCE COMPANY, LTD.

Claim under Fire Policy No.....

in force to.....19

To the Directors of the

EXEMPLAR FIRE INSURANCE COMPANY, LIMITED.

I,....., *now residing at*....., *holding the above-mentioned policy in your Company, do hereby declare that on or about*.....*o'clock*.....*m. on* (1).....

(1) State the day of the week.

the.....*day of*....., *19*....., *a fire occurred in the* (2).....

(2) State the room or place where the fire originated.

of the (3).....

(3) Insert description of premises: *e.g.*, "Dwelling House," "Grocer's Shop," "Cotton Mill," &c.

situate.....

that the said fire was occasioned to the best of my knowledge and belief by (4).....

(4) State by what means the fire is supposed to have been caused.

and that the Property hereinafter detailed, belonging to me, and insured by the.....*item of the said policy, was destroyed or damaged to the extent of the amounts as stated.*

I also declare that I am the sole owner of the said property, and that no other person has any interest in the same except as stated, viz.:—(5).....

.....

(5) State the nature of any other interest: *e.g.*, "Mortgagee," "Lessee," "Purchaser on Deposit," &c.

I also further declare that the following is a true and complete statement of the insurances effected upon the said property:—

STATEMENT OF INSURANCES.		
Amount.	Company.	Policy No.
	EXEMPLAR.	
(6)		

(6) Here insert "no other insurance" if the property is insured only with the "EXEMPLAR."

Signature of Claimant.....

Date.....*19*.....

N.B.—DIRECTIONS TO BE OBSERVED IN MAKING OUT A CLAIM.

Damage to Buildings.—*Only the third column (headed "Amount Claimed") is required to be filled up in the case of Building Losses, but it is desired that a tradesman's estimate, giving measurements and prices, shall be furnished in support of claim.*

Damage to Furniture, Stock or other Contents.—*A Fire Policy being a contract of* **indemnity** *only, all claims must be based upon the actual value of the goods at the time of the fire, i.e., the original* **cost** *price less a suitable deduction for wear and tear.*

Description of the Articles claimed for.	Value at time of Fire.	Deduction for value of Salvage.	Amount Claimed, *i.e.*, actual loss after deduction of Salvage Value.
Total ... £			

ACCEPTANCE FORM. (*b.*)

FIRE LOSS *on premises situate*

.....

.....

.....

Policy No.	.....	.....	*Insurance Co.*
,,	.....	.....	,,
,,	.....	.....	,,
,,	.....	.....	,,
,,	.....	.....	,,
,,	.....	.....	,,

MEMORANDUM. .....*hereby agree to accept the sum of*.....

.....

in full satisfaction of and discharge of all claims for loss, damage and expenses in connection with the fire which occurred at ..... *premises as above.*

SALVAGE *to*.....

.....*declare that there are no insurances effected by*.....*or by any other person upon the said property except as above mentioned.*

£ : :

Witness.....*Signature*.....

.....

.....

LOSS RECEIPT FORM. (c.)

Received *from* THE EXEMPLAR FIRE INSURANCE CO., LIMITED, *the sum of*.....*pounds*, ...*shillings and*.....*pence* *in settlement of all claim under Policy No*..... *in respect of the fire which occurred on the*.....*19*... *and*.....*hereby agree and declare that the insurance by the said policy shall stand reduced by the above amount until next renewal.*

£ : :

STAMP.

Witness.....

INDEX.

Fire Insurance Handbook.

By W. S. COLES (of Messrs. Hinton Hill & Coles)

— AND —

H. S. BELL (of Lincoln's Inn, Barrister-at-Law).

To meet the demand amongst members of the Fire Insurance profession, an up-to-date Handbook has been compiled under the above title. It will be found a handy book of reference, containing information on every kind of Fire Risk and other points connected with Fire Insurance practice. ***332 pp., cloth.***

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"It is an excellent volume of 332 pages. It follows alphabetical arrangement for the sake of convenience, as does, of course "Hare's Manual," which we are reminded in the preface was published so long ago as 1886. It is with a knowledge of this fact, and with a view to bringing fire insurance information up-to-date, and also to meet the demand amongst members of the insurance profession for such a handbook, that the production of this work was decided upon. We have no doubt that the hope of the compilers that it will prove an acceptable book on reference in all the principal points of fire insurance practice—the settlement of losses alone excepted—will be fully justified. There is no doubt that something of this sort is very urgently needed, for the handbooks in regard to fire insurance are exceedingly few in number."—*The Policy*, June 12, 1909.

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"BUNYON'S LAW OF FIRE INSURANCE."

By R. J. QUIN, LL.B., Barrister-at-Law,

AND

F. E. COLENSO, M.A., F.I.A., Barrister-at-Law.

CONTENTS.

Pric…

… …inions.

"The … …k have executed their labours in a thor… …ctory manner, for the book has been i… …, both as regards statute law and judic… …piece on the subject with which it deals. … …ho for many years past have had occasion to test its merits should obtain the present edition. Without exaggeration, it may safely be said that points on Fire Insurance Law which cannot be found in Bunyon are unworthy of notice."—*Law*, April 21, 1906.

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